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Date: 3/1/2011

GAIN Report Number: TH1025

Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH1025 Domestic and export prices continued to decline by 2.0 – 3.0 percent from the previous week due to a slowdown in inquiries for white rice and parboiled rice. Most large-volume inquiries went to Vietnam as prices for the new-crop white rice are \$40 below Thai prices.

Post:
Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Feb 28, 2011

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	930	-	980	-	950	885	-	936	955
WR 100 B	510	-	550	-	540	510	520	526	542
PB 100%	520	-	550	-	540	510	520	528	540
PB 5%	515	-	540	-	535	505	515	522	534
WR 5%	500	-	520	-	525	490	510	509	527
WR 10%	495	-	510	-	520	487	-	503	518
WR 15%	480	-	490	-	-	480	-	483	500
WR 25%	470	-	470	-	-	460	-	467	475
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	415	-	430	-	420	410	-	419	424
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 30.40 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices continued to decline by 2.0 – 3.0 percent from the previous week due to a slowdown in inquiries for white rice and parboiled rice. Most large-volume inquiries went to Vietnam as prices for the new-crop white rice are \$40 below Thai prices. The Philippines is reportedly making inquiries for 600,000 – 700,000 tons of 25% grade Vietnamese white rice. In addition, Thai rice exporters are concerned that Indonesia may revise by half down last month's contract of 820,000 tons and buy from Vietnam instead.

The government's weekly benchmark price for white rice for February 28 – March 6, 2011 declined 0.8 percent. As such, farmers will receive higher compensation, compared to the previous week. Farmers that sell their supplies this week will not attain insurance prices, as compensation will fall short due to higher benchmark price over market prices.

Table 2: Price Insurance Scheme for MY2009/2010 - MY2010/2011 rice crop

	Rice paddy				
	Fragrant rice (Hommali)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	White rice

1. Eligible tonnage (ton/household) ^{a/}	14	16	25	16	25
2. Insured prices (Baht/ton) ^{a/}	15,300	14,300	11,000 ^{d/}	9,500	10,000
3. Benchmark prices (Baht/ton) ^{b/ c/}					
Jan 31 - Feb 6	13,009	12,809	10,882	14,306	8,798
Feb 7 - 13	13,106	12,831	10,896	14,306	8,736
Feb 14-20	13,110	12,822	10,925	14,385	8,909
Feb 21-27	13,108	12,789	10,976	14,421	8,969
Feb 28 - Mar 6	13,040	12,654	10,901	14,601	8,900
4. Compensation (1-2), (Baht/ton)					
Jan 31 - Feb 6	2,291	1,491	118	-	1,202
Feb 7 - 13	2,194	1,469	104	-	1,264
Feb 14-20	2,190	1,478	75	-	1,091
Feb 21-27	2,192	1,511	24	-	1,031
Feb 28 - Mar 6	2,260	1,646	99	-	1,100
5. Market prices (Baht/ton)					
Jan 31 - Feb 6	13,750	13,500	10,500	15,000	8,400
Feb 7-13	13,750	13,500	10,500	15,000	8,500
Feb 14-20	13,750	13,500	10,500	15,000	8,500
Feb 21-27	13,450	12,900	10,500	15,500	8,450
Feb 28 - Mar 6 ^{f/}	12,950	12,600	10,500	16,500	8,350

Note:

^{a/} Cabinet approval on
Sep. 22, 2009

^{b/} Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

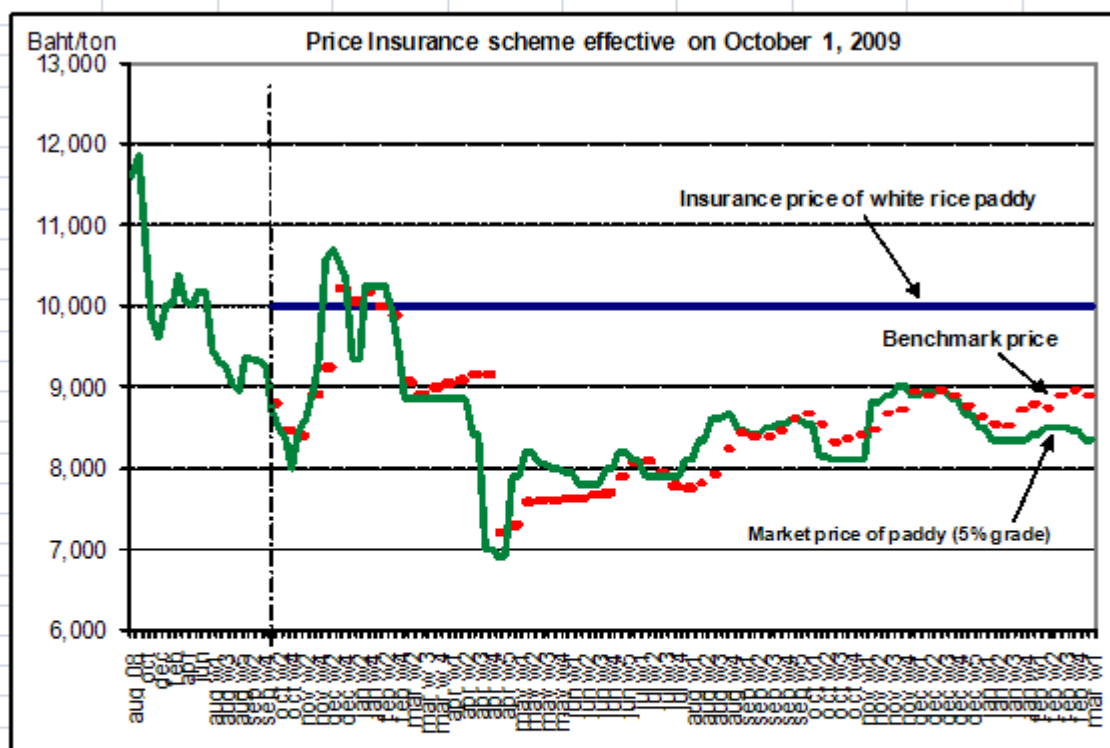
^{c/} Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.

^{d/} The insured prices of MY 2009/10 second-crop Pathum Fragrant rice were revised up from 10,000 tons/MT in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010

^{e/} The benchmark prices of fragrant rice and Provincial fragrant rice are for MY2010/11 crop.

¹⁷ As of Feb. 28, 2011

Figure 1: Comparison of market price, insurance price, and benchmark price



Note: 1/ Benchmark prices are average historical wholesale prices which will be used for the calculation of compensation to farmers. The compensation is based on the difference between insurance prices and benchmark prices.

² Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

³ Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.

Rice Export Update

Unofficial rice exports (excluding fragrant rice) for February 21-27, 2011 totaled 187,469 tons, down 1,516 tons from the previous week, and down 9,481 tons from the four week moving average of 196,950 tons. Exports of white rice and parboiled rice during January 1 – February 27, 2011 totaled 1,523,070 tons, up 47.6 percent from 1,031,934 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – February 23, 2011 amounted to 1,708,664 tons, up 35.0 percent from 1,265,464 tons in the previous year.

Table 3: Weekly rice exports (excluding fragrant rice)

WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
Dec 26	181,514	170,662	6,493	5,852	10.6
Dec 31	155,420	170,886	6,649	5,896	12.8
Jan 2, 2011	3,600	-	4	1	260.0
Jan 9	186,924	-	191	105	81.8
Jan 16	198,541	-	389	272	42.8
Jan 23	179,423	-	568	420	35.3
Jan 30	166,781	182,917	735	525	40.2
Feb 6	197,142	185,472	932	620	50.4
Feb 13	214,204	189,387	1,147	746	53.6
Feb 20	188,985	191,778	1,336	880	51.8
Feb 27	187,469	196,950	1,523	1,032	47.6

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.

Source: Board of Trade of Thailand

Table 4: Weekly private registered rice export sales			
Movement (MT)	Feb 7-11	Feb 14-18	Feb 21-25
Weekly sales	190,683	206,941	290,278
4 week sum	949,461	885,359	913,596
4 week mov. avg.	237,365	221,340	228,399
Year-to-date sales	1,266,978	1,473,919	1,764,197

End of report.